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CENTRAL INTELLIGENCE GROUP

INTELLIGENCE REPORT

6538

COUNTRY China

DATE: 25X1A6a

INFO. [REDACTED]

SUBJECT Economic Information: Dairen

DIST. 28 January 1947

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ORIGIN [REDACTED]

SUPPLEMENT

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1. At present, the Dairen power plant is the only complete industrial establishment in working order [REDACTED]. (Shanghai Note: This plant, the waterworks, and the telephone /company?/ have been previously reported to be managed by the Soviets. Various other concerns and factories have been reported to be in operation, but if the word "complete" is interpreted narrowly the above statement may be true.) Dairen is industrially stagnant because the Soviets have transported industrial equipment to the USSR, and the Chinese Communists have transported goods and materials to Shantung [REDACTED]. 25X1X6
2. The Soviet Army is administering the railway between Pulantien (121-59, 39-24) and Dairen, and trains are running between the two towns. The railroad between Dairen and Port Arthur is also functioning.
3. Two transports carrying 4000 tons of military fur coats, canned goods, glassware, and flour arrived in Dairen from Vladivostok in early October.

Source: Unstated

Date of Information: Paragraph 1 - 2 December 1946

Paragraphs 2 and 3 - 25 November 1946

Origin: Peiping

4. The machines in all the factories, and all the supplies originally in stock piles in Port Arthur and Dairen have been transported to Port Arthur warehouses for storage. (Shanghai Note: F-4 for statement "all", F-3 for location of new warehouses.)

Source: Chinese, University graduate from merchants from Dairen.

Date of Information: 31 October 1946

Origin: Peiping

5. There was very little fuel in the city in mid-October, and the Soviets controlled what there was. Soviet soldiers sell a small handbag of black-market coal at the rate of 500 Soviet occupation dollars.
6. The majority of the Japanese and the non-Communist Chinese are in a very bad state. Many are suffering from malnutrition. Chinese Communists, particularly those who have connections with the Soviets, are able to procure much of the food, clothing, good houses, and fuel which is not relegated to Soviet military use.

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7. Civilians are not allowed to ride trains in the Dairen district, although the Soviets /?troops?/ use them freely. The Soviets /?troops?/ do not need tickets for either the trains or streetcars. Chinese and Japanese passengers on the latter buy five yuan tickets before boarding the car [REDACTED]. These streetcars are in fair condition, and the lines are repaired [REDACTED]. The cars run from 0600 hours to 2100 hours. Railroad train service is irregular (F-6).

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[REDACTED]

8. Stores are required to remain open daily, even if there is nothing to sell, and the regular tax must be paid. Many people are afraid to start a business because of excessive taxation and the Communist demands [REDACTED]. Business conditions are worse than they were under the Japanese [REDACTED].

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[REDACTED]

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9. About one junk a week leaves the docks north of the canal in Tientsin and proceeds to Dairen via Chinghuangtao (119-35, 39-57) and Yingkou (122-13, 40-40). The trip takes about a month each way. The cargoes consist of grain from Tientsin to Dairen, and apples on the return trip. Merchants must have Communist connections to be able to make the trip.

10. Only Soviet occupation currency and Manchurian yuan are allowed in circulation.

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11. The exchange rate is 1 Soviet occupation note to 180 CNC or 18 Manchurian yuan.

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[REDACTED]

12. Most of the technical machinery in Dairen has been removed. All that remains intact are the railroad repair shops, automobile repair shops, sewage disposal, etc. [??]. All private industry has been removed.

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[REDACTED]

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